

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2899 – HB 3479

May 27, 2010

**SUMMARY OF AMENDMENT (019030):** Adds language to the original bill that expands the meaning of “eligible independent postsecondary institution” to include a private four-year institution postsecondary institution that (1) has been chartered in Tennessee as a not-for-profit entity for at least 100 years, (2) has had its primary campus domiciled in Tennessee for at least 125 years, (3) awards baccalaureate degrees, and (4) requires all students to participate in a four-level college work program in which students provide services to the institution and the community.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by an amount exceeding \$100,000 per year.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by an amount exceeding \$160,000 per year.**

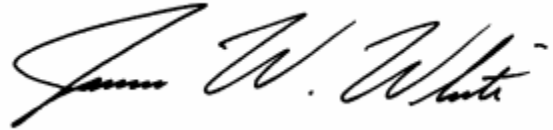
Assumptions applied to amendment:

- According to the Tennessee Student Assistance Corporation (TSAC), this amendment will authorize Knoxville College to become an eligible independent postsecondary institution.
- TSAC indicates that students attending Knoxville College (KC) are not eligible for Hope Scholarships under current law; such students will become eligible under this bill as amended.
- Based on information provided by TSAC and KC, six current students will become eligible for the Hope Scholarship for the fall semester of 2010.
- KC has indicated that it has accepted 59 additional students for the fall semester of 2010.
- KC indicates that approximately 60 percent of accepted students will actually enroll (approximately 35 students).
- Twenty five percent of students who actually enroll will be eligible for the Hope Scholarship (approximately 9 students).

- There will be 15 students attending KC each year eligible for the Hope Scholarship (six from retaining the Hope Scholarship, and nine new students each year).
- The increase of expenditures from the Lottery for Education Account for the original bill was estimated to exceed \$100,000 per year.
- The increase of expenditures from the Lottery for Education Account for the bill as amended is estimated to exceed \$160,000 per year [ $\$100,000 + (15 \text{ students} \times \$4,000) = \$160,000$ ].

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc